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SUBJECT: JERUSALEM MEDIA REACTION (9/10): ALTERNATIVES TO THE
TWO-STATE SOLUTION

Main Stories:

Internal Palestinian division leads reporting in all dailies. All front pages highlight comments by Arab League Secretary General Amro Musa expressing "anger" over the rift, and warning Palestinians that they may face sanctions by Arab governments. Citing "news agencies," reporting continues that Musa's stated that, "sanctions would not be against anyone in particular. They would be against the party which obstructs reconciliation and perhaps against everyone, or against the organization that obstructs Egyptian efforts." Mousa gave no details about what sanctions might entail, according to reports. Al-Quds and Al-Ayyam run a related article by DPA including statements by Fatah Central Committee member Zakariya Al-Agha. Al-Agha reveals that Fatah and Hamas will hold separate talks with Egypt on internal reconciliation at the end of September 12008. An Egyptian call for "comprehensive, national" Palestinian dialogue will follow in October. Al-Agha confirms that Fatah has not yet received any official invitation for Cairo talks, the article concludes.

Palestinian Authority President Mahmud Abbas' meeting with President Bush is front page news in Al-Ayyam and Al-Hayat Al-Jadida. The AFP report quotes Abbas' spokesperson Abu Rudaynah revealing the date and exact time for the September 26 meeting, while White House spokesperson Perino is reported as commenting only that the meeting may take place after the upcoming UN General Assembly meeting. According to PLO negotiator Sa'eb Erekat, Abbas and Bush will, "evaluate the Israeli-Palestinian negotiation process and discuss obstacles preventing the conclusion of an accord," the report continues. Erekat also accuses Israel of failing to abide by its commitments in peace talks, including the agreement to freeze settlement activity in the West Bank, the report concludes.

The Israel-Hamas prisoner exchange talks get front page billing in Al-Ayyam and Al-Hayat Al-Jadida. Citing Israeli daily Haaretz, the papers report that an Israeli ministerial task force has drawn up a list of 450 Palestinian prisoners whom Israel would be willing to exchange for captive Israeli soldier Gilad Shalit. Israel also threatened to take, "various active measures," should Hamas continue to delay talks over Shalit, according to the coverage.

Al-Quds runs the front page headline, "Palestinian Authority [PA] pays \$15 million bond in bid to resume compensation case," introducing an article about the recent ruling by a U.S. federal judge that the PA must pay the American family Ellis \$192.7 million in damages for the killing of their son in a 2002 terrorist attack in Israel. Reporting explains that the PLO and PA had until now refused to defend themselves in court, saying the case lacked merit. Now the PA has asked the judge to allow them to challenge the judgment, with defense lawyers filing affidavits by PA Premier Fayyad explaining that the PA is facing a financial crisis caused by international embargos on foreign aid, the withholding of revenues by Israel and restrictions on trade and movement in the West Bank and Gaza Strip. PA defense lawyers said in court papers that the PA is, "teetering on the verge of bankruptcy," according to the story.

Al-Quds highlights an interview with the head of Israel's military Civil Administration Brigadier General Yoav Mordechai about Israeli checkpoints in the West Bank. Mordechai admits that Israeli soldiers and the settlers have made mistakes but also highlights positive news that almost 100 of the 607 West Bank checkpoints have been removed. He adds that in accordance with established

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procedures, the Israelis study security conditions in the West Bank weekly and then decide whether to remove checkpoints or otherwise facilitate movement. As for settler attacks on Palestinians, Mordechai said that Israeli Police, soldiers and intelligence are taking strong action against violence whether it involves Palestinians or Israelis, according to the interview. Al Quds does not identify the date or source of the interview.

Al Quds runs a prominent front page photo of President Bush speaking at the American National Defense University on September 9, next to an AFP article on the Bush announcement to withdraw 8,000 US troops from Iraq and deploy an additional 4,500 soldiers to Afghanistan. The story notes that the decision means that Bush's successor will preside over a largely unchanged number of U.S. troops in Iraq, despite the "deep unpopularity of the war."

Al-Hayat Al-Jadida's lead photo shows Palestinian Authority Premier Salam Fayyad opening a new USAID-funded public park near Bethlehem on September 9. Citing Wafa, articles on inside pages in Al Quds and Al-Ayyam explain that the park was previously an abandoned Israeli military base. Fayyad thanked USAID for their support and also condemned Israeli settlers' prior attempts to occupy land in the area.

BLOCK QUOTES:

11. Independent Al-Quds runs an editorial by daily columnist Dr. Hasan Abdullah entitled, "The success of Cairo talks Could save our communal ship from sinking" (9/10): "[C]airo talks must lead to an agreement...the agreement should pave the way for presidential and legislative Palestinian elections...the Palestinians should consult the people on the choice of their own leader...and everybody must respect their choice if we [Palestinians] really want to save ourselves and our homeland from the hellish division which is becoming greater than both the homeland and the Palestinian cause."

12. Independent Al-Ayyam runs an editorial by daily columnist Hani Habib entitled, "Bilateral State...Unilateral Game!!" (9/10): "[C]lear statements by Palestinian officials show that the negotiations process has not led to any results regarding final status issues. Chief Palestinian negotiator, Ahmad Quray openly hinted that if the independent state solution fails, the alternative demand by the Palestinian people and its leadership should be a

'one-state, double nationality' solution. It is obvious that this demand/choice is evidence of depression and confusion..."
WALLES